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2007 MAY 15 P 4:29

POSTAL RATE OF CHARGES
OFFICE OF THE SECRETARY

Hon. Steven W. Williams, Secretary
Postal Regulatory Commission
901 New York Avenue NW, Suite 200
Washington, D.C. 20268-0001

Dear Mr. Williams:

This transmits further materials responsive to Commission Rule 103 (39 C.F.R. §3001.103) pertaining to the Commission's annual Report to Congress on the costs, volumes and revenues associated with international mail (39 U.S.C. § 3663).

We have enclosed ten copies each of the FY 2006 International Cost and Revenue Analysis (ICRA) Report, the FY 2006 Cost Segments and Components Report for the ICRA, and the audited FY 2006 Cost and Revenue Analysis (CRA) Report. Each report is based in part on Postal Service costing methodologies that have not been endorsed by the Commission in domestic rate and classification proceedings. We have therefore designated these as USPS versions. We have also enclosed the CRA Cost Segments and Components Report.

The Postal Service considers both the ICRA Report and the Cost Segments and Components Report for the ICRA to be internal records of a commercially sensitive nature that under good business practices should not be disclosed publicly. Accordingly, the Postal Service requests that the Commission withhold both reports from public disclosure.

We will readily provide more copies of the reports, if they are needed. We have included here two copies of a disk containing the electronic version of the ICRA Report and supporting data. These should not be made available on the internet.

Sincerely,

R. Andrew German
Managing Counsel
Legal Policy and Ratemaking Law

Enclosures